

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 SS-20 SIL-01 EB-11 LAB-06 DRC-01

RSC-01 AGR-20 COME-00 /101 W

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R 291620Z NOV 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 5639

UNCLAS SECTION 1 OF 2 SAN JOSE 4204

FOR GEORGE PHILLIPS, ARA-LA/MRSD/L (AID/W)

E.O. 11652: N/A

TAGS: ELAB CS

SUBJECT: AIFLD COUNTRY APPENDIX FOR COSTA RICA FY-74

REF: STATE 223393; SAN JOSE 3038; AIDTO CIRC A-675

DATED 6/14/73.

1. THIS CABLE IS INTENDED TO PROVIDE A BRIEF RATIONALE AND BACKGROUND FOR THE COUNTRY TEAM'S PROPOSED COUNTRY APPENDIX FOR COSTA RICA FOR FY-74, AS WELL AS TO ADDRESS THE SPECIFIC POINTS RAISED IN PARAGRAPH 2(D) OF STATE 223393. THE APPENDIX AND PROJECT LOGICAL FRAMEWORK ARE BEING POUCHED NOVEMBER 30.

2. THE ASPECT OF THE COUNTRY TEAM'S PROJECTED AIFLD COUNTRY APPENDIX FOR FY-74 MOST LIKELY, ON FIRST GLANCE, TO BE QUESTIONED IS OUR PROVISION FOR AN AIFLD BUDGET SOMEWHAT ABOVE THE TENTATIVE FUNDING LEVEL FOR COSTA RICA PROPOSED IN STATE 223393. IT WILL BE NOTED HOWEVER, THAT VIRTUALLY THE ENTIRE INCREASE IS DUE TO OUR PLAN (OUTLINED FULLY IN SAN JOSE 3038) TO FUND THE HIRING OF A SIX-MAN, FULL-TIME STAFF OF INSTRUCTORS, A FINANCIAL MANAGER/INSTRUCTOR AND A RESEARCH DEPARTMENT DIRECTOR FOR THE NATIONAL INSTITUTE FOR LABOR AND SOCIAL STUDIES(INESS), DRAWN FROM GRADUATES OF FRONT ROYAL, GEORGETOWN, ORIT, AND IESCA

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COURSES. WE SEE NO OTHER MEANS TO CARRY OUT THE

PROJECT PURPOSE (SEE PROJECT LOGICAL FRAMEWORK) OF DEVELOPING INESS AS AN EDUCATIONAL AND ADVISORY SERVICE ARM OF THE CCTD. AS WE HAVE STATED IN EARLIER COMMUNICATIONS WITH THE DEPARTMENT, IT IS OUR FEELING THAT ONLY BY PROFESSIONALIZING CCTD SERVICES TO ITS MEMBER UNIONS CAN THE DEMOCRATIC LABOR MOVEMENT ATTAIN THE PROGRAM GOAL OF VIABILITY THAT WILL ALLOW A SUBSEQUENT REDUCTION OF AIFLD SUPPORT. IT IS WITH THE AIM OF STIMULATING INESS CAPABILITIES THAT WE HAVE PROPOSED AN INCREASE IN THE EDUCATION COMPONENT OF THE AIFLD BUDGET FOR FY-74 AND -75. WITH THIS SHORT-RUN, AUGMENTED INPUT, IN ADDITION TO THE NEW PROGRAM DIRECTION WHICH FOCUSES AIFLD SUPPORT ON INESS ALMOST EXCLUSIVELY, WE EXPECT THE DEMOCRATIC UNION MOVEMENT IN GENERAL AND THE CCTD IN PARTICULAR TO BEGIN THE MARCH TOWARD FINANCIAL VIABILITY AND SELF-SUFFICIENCY WHICH BY FY-76 WILL PERMIT THE GRADUAL CURTAILMENT OF AIFLD BUDGETARY AND ADVISORY SUPPORT.

3. THE COUNTRY TEAM CONSIDERS ITS PROPOSAL TO PROFESSIONALIZE INESS BY DEVELOPING THE ORGANIZATION'S HUMAN RESOURCES AS THE SIN QUA NON OF OUR EFFORT IN THE LABOR FIELD IN COSTA RICA, THE REJECTION OF WHICH WOULD THROW THE AIFLD PROGRAM BACK INTO ITS OLD RUT WHERE VERY LITTLE PROGRESS WAS RECORDED DESPITE THE HIGH INPUT. OUR PROPOSAL ADDRESSES PRECISELY THOSE POINTS RAISED IN PARAGRAPH 2(D) OF STATE 223393. A REVITALIZED AND UPGRADED INESS WILL ASSIST DEMOCRATIC UNIONS TO IMPROVE AND INSTITUTIONALIZE THEIR SERVICES TO THEIR MEMBERS. INDEED THESE ARE THE ULTIMATE OBJECTIVES OF INESS. WE ENVISION THAT A PROFESSIONALIZED INESS BOASTING A FULL-TIME, PAID STAFF WILL RAPIDLY DEVELOP THE CAPABILITY TO RELIEVE AIFLD FROM ITS CURRENT DE FACTO RESPONSIBILITY FOR DRAWING UP THE INESS CURRICULUM, AND THAT THE FUNDING OF A FULL-TIME INESS FINANCIAL MANAGER/INSTRUCTOR WILL OVER TIME OBIVIATE THE NECESSITY FOR AIFLD TO PERFORM ROUTINE BOOKKEEPING SERVICES FOR INESS.

4. THE CURRENT INABILITY OF THE DEMOCRATIC LABOR
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MOVEMENT TO GENERATE SUFFICIENT FUNDS INTERNALLY IS ITS MOST PRESSING PROBLEM. BUT, HERE TOO, A BOLSTERED INESS STAFF CAN ASSIST DEMOCRATIC UNIONS THROUGH EDUCATION AND ADVICE TO DEVELOP SELF-SUFFICIENCY. ONE CCTD UNION, THE AFRICAN PALM WORKERS (SITRADIQUE), HAS JUST WON A PRECEDENT-MAKING CONTRACT IN WHICH THE EMPLOYER (UNITED FRUIT) AGREED TO GRANT THE UNION FUNDS FOR THE PURPOSE OF FINANCING ITS OWN LABOR-

EDUCATION PROGRAM. IT IS WITH THE EXPECTATION THAT THE CCTD WILL STRENGTHEN ITS INTERNAL FUND-GENERATING CAPACITY THAT THE COUNTRY TEAM IS PROJECTING A REDUCED COUNTRY BUDGET BEGINNING IN FY-76.

5. THE PROCESS OF UPGRADING THE LEVEL OF INESS COURSES BEGUN IN 1972 IS TO CONTINUE INTO FY-74. THE ONCE COMMON AND VERY BASIC "WHY JOIN A UNION AND HOW" TYPE COURSES HAVE BEEN ALMOST TOTALLY SCRAPPED IN FAVOR OF MORE SOPHISTICATED OFFERINGS FOR UNION OFFICIALS AS OUTLINED IN THE PROPOSED FY-74 BUDGET. IN ADDITION, AIFLD HAS INCREASED THE FUNDING FOR INTERNATIONAL (AND SPECIALIZED) PARTICIPANT TRAINING FOR UNION LEADERS. UNDER AIFLD PRODING, INESS ALSO PROPOSES TO MAKE MORE EFFICIENT USE OF ITS BUDGET BY ELIMINATING MOST TWO-DAY COURSES AND REPLACING THEM BY THE MORE PRODUCTIVE FIVE-DAY COURSES.

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6. THE PROJECTED FY-74 BUDGET PROVIDES FOR A BETTER RURAL/URBAN MIX IN INESS COURSES. PROJECTED COURSES AIMED AT THE RURAL AREAS, AND COMMUNITY DEVELOPMENT HAVE BEEN INCREASED BY ALMOST 100 PERCENT OVER FY-73 (AND NOW TOTAL 72 DAYS OF INSTRUCTION).

7. WITH GREAT DIFFICULTY, THE COUNTRY TEAM HAS MANAGED TO REDUCE THE ADMINISTRATIVE COMPONENT OF AIFLD COSTS IN THE PROPOSED FY-74 BUDGET TO A LEVEL \$1,562 BELOW THAT OF FY-73. GIVEN THE CONSTANTLY RISING COSTS HERE, THIS IS NO MEAN ACCOMPLISHMENT.

THE CUTS HAVE BEEN MADE IN THOSE FEW AREAS WHERE COSTS ARE NOT FIXED: NAMELY IN SUPPLIES, COMMUNICATIONS, AND "OTHER DIRECT COSTS." THE COUNTRY TEAM HAD PROPOSED TO ELIMINATE FROM THE FY-74 ADMINISTRATIVE COMPONENT AS ADDITIONAL \$2,000 EARMARKED FOR THE CPD'S HOME LEAVE WHICH, ASSUMING A FULL TWO-YEAR TOUR, WOULD NOT OCCUR UNTIL FY-75. HOWEVER, AT THE CPD'S INSISTANCE, WE HAVE RELUCTANTLY AGREED TO INCLUDE THIS ITEM TO COVER EXPENSES IN FY-74 IN THE EVENT HIS TOUR IS CUT TO 18 MONTHS.

8. THE COSTA RICA AIFLD APPENDIX WAS PREPARED WITH THE ACTIVE AND CLOSE PARTICIPATION OF THE CPD. WITH THE EXCEPTION OF THE COUNTRY TEAM'S PROPOSAL TO FUND A FINANCIAL MANAGER/INSTRUCTOR TO INESS ON A FULL-TIME BASIS INSTEAD OF PART TIME AS HE PREFERRED, THE CPD AGREED WITH THE BUDGET BREAKDOWN ROUGHLY AS SUBMITTED.
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HOWEVER, HE DISAGREED STRONGLY WITH THE COUNTRY TEAM'S CITING THE ESTABLISHMENT OF A VIABLE INESS AS THE PROJECT'S PURPOSE. THE CPD BELIEVES THAT LABOR EDUCATION AND ADVISORY SERVICES ALONE WILL NOT ACHIEVE THE PROJECT'S GOAL OF CREATING A VIABLE DEMOCRATIC LABOR MOVEMENT. HE BELIEVES THAT THE AIFLD FUNDS SHOULD ALSO BE EARMARKED FOR THE SALARIES OF CCTD OFFICIALS TO ENABLE THEM TO WORK FOR THE CONFEDERATION ON A FULL-TIME BASIS, AND EVEN MORE IMPORTANTLY, TO UNDERWRITE THE COSTS OF CCTD LABOR ORGANIZAING. AS IS WELL KNOWN TO DEPARTMENT, THE CT DOES NOT ACCEPT THIS VIEW. WHILE MORE EFFECTIVE EFFORTS BY DEMOCRATIC TRADE UNIONS ARE SURELY NEEDED, LABOR ORGANIZAING IS A FIELD TOO SENSITIVE FOR DIRECTO USG INVOLVEMENT IN COSTA RICA.
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